

MISSOURI DEPARTMENT OF REVENUE

SALES TAX

DETAILED INSTRUCTIONS AND INFORMATION BOOK

Filing your sales tax return just got easier!

By calling toll-free (888) 948-4653 you can file your zero sales tax return using the Telefile System. **To call in your zero sales return, you must have zero gross receipts and zero taxable sales.**

Telefile eliminates postal delays and the cost and time to generate, sign, and mail returns. Telefile also saves processing and data entry costs associated with paper filings.

Taxpayer Assistance Numbers

Jefferson City Central Office (573) 751-2836 Tax Assistance Center (573) 751-7191	Cape Girardeau (573) 290-5850
Kansas City (816) 889-2944	Springfield (417) 895-6474
St. Louis (314) 877-0177	Columbia (573) 884-3814
St. Joseph (816) 387-2230	Joplin (417) 629-3070
Internet: www.dor.mo.gov/tax	E-mail salesuse@dor.mo.gov
Toll Free Number for Forms (800) 877-6881	Fax-on-Demand (573) 751-4800
Individuals with speech/hearing impairments may use TDD (800) 735-2966 or fax (573) 526-1881.	

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Instructions for Completing Missouri Sales Tax Returns

If you have questions or problems which are not covered in these instructions, you may obtain assistance by writing to the Division of Taxation and Collection, P.O. Box 3300, Jefferson City, MO 65105-3300, e-mailing salesuse@dor.mo.gov, or calling (573) 751-2836. Persons with hearing or speech impairments may use TDD (800) 735-2966 or fax (573) 526-1881.



To ensure your tax records are **protected and confidential**, the Department of Revenue will not release tax information to anyone who is not listed in our records as an owner, partner, member, or officer for your business. If your partners, members, or officers change, you must update your registration with the department by completing a Form 126, Registration Change Request before we can release tax information to those new partners, members, or officers. If you would like the department to release tax information to an accountant, tax preparer, or another individual who is not listed on your account, please complete a Form 2827, Power of Attorney.

To obtain a Form 2827, Power of Attorney or a Form 126, Registration Change Request, contact the department at (800) 877-6881, download the form from the Internet at www.dor.mo.gov/tax/forms/, or the Missouri Department of Revenue's Forms-by-Fax System at (573) 751-4800.

GENERAL INFORMATION

Who Must File: All holders of Missouri Retail Sales Tax Licenses must file a sales tax return either monthly, quarterly or annually depending upon the amount of state sales tax due. The Form 53-1, Sales Tax Return, is provided to Retail Sales Tax License holders for this purpose.

When to File: The amount of tax collected determines filing frequency. It is your responsibility to determine your proper filing frequency, obtain returns and file them as required. Failure to obtain the forms will not be an excuse for failure to file the required returns. If you fail to receive a form, you should immediately notify the Division of Taxation and Collection, P.O. Box 3022, Jefferson City, MO 65105-3022, (800) 877-6881. If you do not file timely, you will be subject to interest, additions to tax, and the discount for timely filing will be disallowed.

The following chart provides the due dates for filing Sales Tax Returns.

MONTHLY REPORTING	QUARTERLY REPORTING	ANNUAL REPORTING	2004 ACTUAL DUE DATE
JANUARY			FEBRUARY 20
FEBRUARY			MARCH 22
MARCH	1ST QUARTER		APRIL 30
APRIL			MAY 20
MAY			JUNE 21
JUNE	2ND QUARTER		AUGUST 2
JULY			AUGUST 20
AUGUST			SEPTEMBER 20
SEPTEMBER	3RD QUARTER		NOVEMBER 1
OCTOBER			NOVEMBER 22
NOVEMBER			DECEMBER 20
DECEMBER	4TH QUARTER	YEAR	JANUARY 31

Where to file: Mail your return to Missouri Department of Revenue, P.O. Box 840, Jefferson City, MO 65105-0840. If you receive a voucher book, mail your voucher return to the Missouri Department of Revenue, P.O. Box 3360, Jefferson City, MO 65105-3360.

No Sales Returns Required: Every business with a sales tax license is required to file a return on the monthly, quarterly, or annual frequency assigned to it by the Department of Revenue even if no sales were made during the period covered by the return.

Example: Mr. Doe has returns mailed to him on a monthly frequency. Because of health problems, the business is closed during the month of March. Upon receipt of the return, Mr. Doe must indicate “no sales”, sign, and mail the return to the Department of Revenue.

INTEREST RATES FOR LATE PAYMENTS:

YEAR	ANNUAL PERCENTAGE RATE	NUMBER OF DAYS	DAILY INTEREST RATE
2004	4%	366	.0001092
2003	5%	365	.0001370
2002	6%	365	.0001644

New or Additional Locations: If a business location which should be reported is not shown on the sales tax return, enter the business location on the return and complete the *Registration Change Request* form you received in your registration packet. Attach the **Registration Change Request** form to the return. To obtain additional forms contact the Division of Taxation and Collection, P.O. Box 3022, Jefferson City, MO 65105-3022, access our web site at www.dor.mo.gov/tax/forms/, or call (800) 877-6881. The new or additional location may not appear on the next preprinted return you receive. If it does not appear, please write the information on the return before filing.

Closing a Location: If you discontinue operation of a business location that is preprinted on the return, and you have no sales to report, enter “CLOSED” and the date closed in the GROSS RECEIPTS column for that business location. If you close a business location in the same reporting period for which gross receipts are reported for that business location, complete the *Registration Change Request*. The closed location may appear on the next preprinted return you receive. If it does appear, please draw a line through the location or two locations. If you have one location or two locations and you receive a voucher book, the book contains a Final Sales Tax Information Form which may be completed to close your business.

Reporting Motor Vehicle Leasing Receipts: Receipts that are derived fully or partially from the leasing of motor vehicles are reported on separate and distinct pages of your return. These pages can be identified by locating the letters “MVLE” in the upper right-hand area of the page. Leases of less than a 60-day duration should be taxed and reported on the line that lists your business address. Leases of a duration 60 days or greater should be taxed and reported on the lines listing the city/county where the lessors reside. Locations of lessors previously reported will be preprinted on the return for your convenience. Additional locations may be written in as necessary and will be preprinted on future returns.

Domestic Utility Sales: All sales of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal, or home heating oil for “domestic use” are exempt from state sales tax, but any city or county may by ordinance impose a local sales tax upon such sales. “Domestic use” means that portion of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal, or home heating oil, which an individual purchaser uses for nonbusiness, noncommercial, or nonindustrial purposes.

If you make sales of water, electricity, gas, etc., for “domestic use” in a city or county which imposes a local tax on the sales, the same location will be preprinted on separate pages of the return. The first time the location is listed, enter all sales subject to state, education, conservation, parks and soil tax, and any applicable local sales taxes. The second time the location is listed, enter only those sales of domestic utility services subject to local sales tax, and compute the tax thereon.

If the sales are made in a city and county that both impose a local sales tax, the rate indicated will be the combined local tax rates.


DETAILED INSTRUCTIONS FOR SALES/USE TAX REFUND/CREDIT

- A Check Action to be Taken:** Indicate whether you are requesting a refund or a credit by checking the appropriate box.
- B Claimant:** Enter the name of the business requesting the refund/credit. Also, enter the mailing address, telephone number, and tax identification number.
- C Name on Refund Check:** This space is to be used if a refund is requested and the check is to be issued in a name other than the taxpayer/business.
- D Power of Attorney:** If you want the Department of Revenue to send copies of any correspondence relating to this refund/credit claim to your power of attorney or agent, check the appropriate box. We will also send your power of attorney a copy of the final approval or denial of the refund/credit request. A copy of the Power of Attorney should be attached to the application.

E Refund Request Amount: Enter the amount of tax you have determined to be overpaid, the file periods and the reason for overpayment. You must state the specific grounds upon which your claim for refund or credit is based. All claims must contain supporting documentation for the overpayment. Supporting documents include: invoices, valid exemption certificates, worksheets, and any other documentation required to validate the claim. **You must submit amended returns for each tax period of your request.**

F Signature: This application must be signed by the taxpayer.

G Department Use Only: The department will return your Form 472B, Application for Sales/Use Tax Refund/Credit to you with an analysis of approval or denial.

 <p>MISSOURI DEPARTMENT OF REVENUE DIVISION OF TAXATION AND COLLECTION P.O. BOX 3350 (573) 751-2836 TDD (800) 735-2966 JEFFERSON CITY, MISSOURI 65105-3350 refund@dor.mo.gov</p>		<p>FORM 472B (REV. 4-2004)</p>		<p>CLAIM NUMBER</p> <hr/> <p>CERTIFIED NUMBER</p>	
<p>APPLICATION FOR SALES/USE TAX REFUND/CREDIT</p>					
<p>TO ENSURE THE DEPARTMENT CAN PROCESS YOUR CLAIM:</p> <p>✓ Include amended returns for <i>each</i> period in which the tax was <i>originally reported</i>.</p> <p>✓ Provide an exemption certificate or exemption letter for <i>each</i> exempt sale.</p> <p>✓ Submit invoices supporting the refund claim.</p>					
<p>PLEASE CHECK THE ACTION TO BE TAKEN: <input type="checkbox"/> CREDIT <input type="checkbox"/> REFUND</p>					
CLAIMANT	TAXPAYER/BUSINESS NAME		NAME ON REFUND CHECK, IF DIFFERENT THAN TAXPAYER/BUSINESS		MISSOURI TAX I.D. NUMBER
					PHONE NUMBER
					()
MAILING ADDRESS			CITY, STATE, ZIP CODE		
<p>Do you want the Department of Revenue to send copies of any correspondence relating to this refund and the final refund approval/denial to your power of attorney or agent? <input type="checkbox"/> YES <input type="checkbox"/> NO (Include a copy of the Power of Attorney Form with the refund application.)</p>					
REFUND REQUEST AMOUNT	AMOUNT OVERPAID		FILE PERIODS		
	\$				
	REASON FOR OVERPAYMENT				
SIGNATURE	I declare this claim and any attached information supporting the claim is true, complete and correct.				
	SIGNATURE OF TAXPAYER OR AGENT		DATE	PRINT NAME AND INDICATE IF TAXPAYER OR AGENT	
ANALYSIS OF APPROVAL OR DENIAL	DEPARTMENT USE ONLY				
	1.				
	2.				
	3.				
	4.				
	You have the right to appeal any amount denied. See Frequently Asked Questions on the reverse side of this form for appeal procedures.				INTEREST
					REFUND/CREDIT TOTAL \$
	EXPLANATION				
INITIATED			DATE		
AUTHORIZED SIGNATURE					

MO 860-1159 (4-2004)

DISTRIBUTION: WHITE, YELLOW — DEPARTMENT OF REVENUE; PINK — TAXPAYER COPY
This publication is available upon request in alternative accessible format(s).

A Business Identification: Please use the return which has the Missouri Tax I.D. Number, owner's name, business name, mailing address, reporting period, and telephone number preprinted at the top of the return. Correct any wrong information. If this information is not preprinted, enter the correct information in the spaces provided.

B Address Correction: Check the appropriate box for the address you are correcting. If mailing address is checked, enter the correct address in the preprinted business identification area. If the business location is checked, enter the address for the location(s) being corrected in the BUSINESS LOCATION column. If mailing address and business address are the same, please make both corrections.

C Business Location: Each business location for which you are registered to report sales tax is preprinted in this column. If a non-preprinted return is used, the business location address must be entered for each business location.

D Code: This will be filled in for you when you receive your return from the department.

E Gross Receipts: Enter the gross receipts from all sales of tangible personal property and taxable services made during the reporting period for each business location. If none, enter “0” (zero).

F Adjustments: Make authorized adjustments for each business location for which you are reporting sales tax. Indicate “+” or “-” for the total adjustments claimed. (See ADJUSTMENTS SECTION, Page 17.)

G Taxable Sales: Enter the amount of taxable sales for each business location. To determine this amount use the following formula:

Gross receipts (+) or (–) Adjustments
must equal taxable sales

H Rate: The percentage rate indicated in this column represents the combined state, education, conservation, parks and soils, and any applicable local sales tax rates. If you are filing a non-preprinted return or have added a business location, enter the sales tax rate for each business location. If you do not know the correct rate, access the following web site: **www.dor.mo.gov/tax/business/sales/salestbl.htm** or contact the Division of Taxation and Collection at (573) 751-2836.

1 Amount of Tax: Multiply the taxable sales of each business location by the tax rate indicated for that location and enter AMOUNT OF TAX due for each business location.

J Line 1 — Total Amount of Tax: Compute the total amount of tax and enter the amount on Line 1. (**Note:** Compute totals for each column.)

K Line 2 — Timely Payment Allowance: If you file your return and payment by the required due date, enter two percent (2%) of the amount shown on Line 1. If not paid by the due date or Line 1 is “zero”, leave blank.

Example: Tax due = \$500.00 x 2% = \$10.00. \$10.00 will be the amount entered on Line 2.

[illegible]

L **Line 3 — Total Sales Tax Due:** Enter total sales tax due (Line 1 minus Line 2).

Example: Tax due = \$500.00 – \$10.00 = \$490.00 tax due.

M Line 4 — Interest for Late Payment: If the tax due is not paid by the due date, multiply Line 3 by the daily interest rate. Then multiply this amount by the number of days late. See the example below and the chart on page 2.

Note: Number of days late is counted from due date to postmark date. For example, if the due date is May 20, and the postmark date is May 25, the payment is 5 days late.

Example: Line 3 is \$500.00

(a) $\$500 \times .0001092 = .0546$

(b) $.0546 \times 5 \text{ days late} = \$.27$

\$.27 is interest for late payment

N Line 5 — Additions to Tax: For *failure to pay* sales tax on or before the due date, 5 percent of Line 3. For *failure to file* sales tax on or before the due date, 5 percent of Line 3 for each month late up to a maximum of 25 percent (5 months late in filing = 25 percent).

Note: If additions to tax for *failure to file* applies, do not pay additions to tax for *failure to pay*.

For example, if a return due May 20 is filed any time between May 21 – June 20, the rate would be 5 percent; if filed any time between June 21 – July 20, the rate would be 10 percent; and so on, up to a maximum of 25 percent.

Example: Return is due May 20, but is
filed (postmarked) June 10
Line 3 is \$500.00
 $\$500.00 \times 5\% = \25.00
\$25.00 is the additions to tax

Return is due May 20, but
is filed (postmarked)
June 21

Line 3 is \$500.00
 $\$500.00 \times 10\% = \50.00
 \$50.00 is the additions to tax

O Line 6 — Approved Credit: Enter on Line 6 any sales tax credit for which the Director of Revenue issued you an approved credit. You must attach a copy of your approved credit to your return. **Note:** The director may at any time, without prior notice, apply the approved credit amount toward a delinquency.

P Line 7 — Pay This Amount: Enter total amount due (Line 3 “plus” Line 4 “plus” Line 5 “minus” Line 6). Send payment for the total amount. Make check, draft, or money order payable to **Director of Revenue** (U.S. funds only). Do not send cash or stamps.

Q Sign and Date Return: This return must be signed and dated by the taxpayer or by the taxpayer's authorized agent. Mail to: Missouri Department of Revenue, P.O. Box 840, Jefferson City, MO 65105-0840.

SALES TAX RETURN					PAGE OF	
MITS ACCOUNT NUMBER				PERIOD		
OWNER'S NAME						
BUSINESS NAME						
BUSINESS LOCATION	CODE	GROSS RECEIPTS	ADJUSTMENTS <small>(INDICATE + OR -)</small>	TAXABLE SALES	RATE (%)	AMOUNT OF TAX
PAGE TOTALS						

MO 860-1153 (11-2003)

DETAILED INSTRUCTIONS FOR SALES TAX VOUCHER FOR SINGLE LOCATION FILERS

- A Business Location:** Please verify address information when you receive your voucher book. If the information is incorrect, please complete the Change of Address Form located in the back of your book.
- B Business Identification:** Your form will be preprinted. Please be sure you use the correct voucher for your filing period.
- C Signature:** Please be sure after you complete the return, you sign and date the return.
- D Gross Receipts:** Enter the gross receipts from all sales of tangible personal property and taxable services made during the reporting period for your business location. If none, enter "0" (zero).

MISSOURI DEPARTMENT OF REVENUE 2004 SALES TAX RETURN			
MO TAX I.D. NUMBER		1. Gross Receipts	\$
BUSINESS LOCATION		2. Adjustments (+ OR -)	\$
TAX PERIOD		3. Taxable Sales	\$
DUE DATE		4. Rate	%
SIGNATURE		5. Amount Due. If zero, STOP—see front cover for telefile of sales tax ..	\$
		6. Timely Payment 2%	\$
DATE		7. Total Tax Due	\$
		8. Interest for Late Payment	\$
DOR-2760 (11-2003)		9. Additions to Tax	\$
		10. Approved Credit	\$
I have direct control, supervision, or responsibility for filing this return and payment of the tax due. Under penalties of perjury, I declare that this is a true, accurate, and complete return. I attest that I have no gross receipts to report for locations left blank.		11. Pay This Amount (U.S. Funds Only)	\$
		DOR USE ONLY	*
048 12345678 42251234512312343 200403		DOR USE ONLY	*

- E Adjustments:** Make authorized adjustments by indicating a "+" or "-" for the total claimed. (See Adjustments Section, page 17.)
- F Taxable Sales:** Enter the amount of taxable sales for your business location. (Gross Receipts (+/-) any adjustments)
- G Rate:** The percentage rate indicated in this column represents the combined state, education, conservation, parks and soils, and any applicable local sales tax rates. The department will notify you and will send a new book if there is a change in the tax rate.
- H Amount Due:** Multiply the taxable sales of your business location by the tax rate indicated for that location and enter AMOUNT OF TAX due for your business location.
- I Timely Payment Allowance:** If you file your return and payment by the required due date, enter two percent of the amount due from Line 5. *Example:* Tax due = \$500.00 x 2% = \$10.00. \$10.00 will be the amount entered on Line 6.
- J Total Tax Due:** Enter total sales tax due (Line 5 minus Line 6). *Example:* Tax due = \$500.00 – \$10.00 = \$490.00 tax due.
- K Interest for Late Payment:** If the tax is not paid by the due date, multiply Line 7 by the daily interest rate and multiply the result by the number of days late. *Example:* Tax due: \$500.00 x .0001092 = .0546 x 5 days late = \$.27 is interest due.
- L Additions to Tax:** For failure to pay sales tax on or before the due date, additions to tax is 5 percent of Line 7. If additions to tax for failure to file applies, multiply Line 7 by 5 percent for each month the return is late, up to a maximum of 25 percent.
- M Approved Credit:** Enter on Line 10 any sales tax credit for which the Director of Revenue issued you an approved credit.
- N Pay This Amount:** Enter total amount payable. Send a check for the total amount. Make the check payable to **Director of Revenue**. Do not send cash or stamps. Mail to: Missouri Department of Revenue, P.O. Box 3360, Jefferson City, MO 65105-3360.
- O Code:** Please do not write near the code. The department uses this code to process your sales tax return.

DETAILED INSTRUCTIONS FOR SALES TAX VOUCHER FOR TWO LOCATION FILERS

- A Business Identification:** Your form will be preprinted. Please be sure you use the correct voucher for your filing period.
- B Business Locations:** Please verify address information when you receive your voucher book. (The complete physical addresses for Locations A and B are located on page 4 of your voucher book.) You must use Lines 1 through 5 to report sales for Location A and Lines 6 through 10 to report sales for Location B.
- C Gross Receipts (Location A):** Enter the gross receipts from all sales of tangible personal property and taxable services made during the reporting period for Location A. (Please be sure you use the correct figures for Location A.)
- D Adjustments (Location A):** Make authorized adjustments for Location A by indicating a “+” or “-” for the total claimed.

Missouri Department of Revenue
2004 SALES TAX RETURN

1. Gross Receipts Location A \$ **C**

2. Adjustments +/- Location A \$ **D**

3. Taxable Sales Location A \$ **E**

4. Rate % **F**

5. Tax Due Location A \$ **G**

6. Gross Receipts Location B \$ **H**

7. Adjustments +/- Location B \$ **I**

8. Taxable Sales Location B \$ **J**

9. Rate % **K**

10. Tax Due Location B \$ **L**

11. Amount Due, Add Lines 5 and 10 and enter on Line 11 \$ **M**

12. Timely Payment 2% \$ **N**

13. Interest for Late Payment \$ **O**

14. Additions to Tax \$ **P**

15. Approved Credit \$ **Q**

16. Pay This Amount (U.S. Funds Only) \$ **R**

MO TAX I.D. NUMBER: **S**

TAX PERIOD: DUE DATE:

PRIMARY BUSINESS NAME: **A**

LOCATION A: **B**

LOCATION B: **B**

SIGNATURE: DATE: DOR-4814 (11-2003)

I have direct control, supervision, or responsibility for filing this return and payment of the tax due. Under penalties of perjury, I declare that this is a true, accurate, and complete return. I attest that I have no gross receipts to report for locations left blank.

049 12345678 62251234512312343 62251234512312343 200403

T

- E Taxable Sales (Location A):** Enter the amount of taxable sales for Location A (Gross Receipts (+/-) any adjustments).
- F Rate (Location A):** The percentage rate indicated in this column represents the combined state, education, conservation, parks and soils, and any applicable local sales tax rates. The department will notify you and will send a new book if there is a change in the tax rate.
- G Tax Due (Location A):** Multiply the taxable sales of Location A by the tax rate for that location and enter tax due for Location A.
- H Gross Receipts (Location B):** Enter the gross receipts from all sales of tangible personal property and taxable services made during the reporting period for Location B. (Please be sure you use the correct figures for Location B.)
- I Adjustments (Location B):** Make authorized adjustments for Location B by indicating a “+” or “-” for the total claimed.
- J Taxable Sales (Location B):** Enter the amount of taxable sales for Location B (Gross Receipts (+/-) any adjustments).
- K Rate (Location B):** The percentage rate indicated in this column represents the combined state, education, conservation, parks and soils, and any applicable local sales tax rates. The department will notify you and will send a new book if there is a change in the tax rate.
- L Tax Due (Location B):** Multiply the taxable sales of Location B by the tax rate for that location and enter tax due for Location B.
- M Total Amount Due:** Add the tax due from Location A and the Tax Due from Location B (Line 5 plus “+” Line 10).
- N Timely Payment Allowance:** If you file your return and payment by the required due date, enter two percent of the amount due from Line 11. *Example:* Tax due = \$480.00 x 2% = \$9.60. \$480.00 – \$9.60 = \$470.40 is tax due.
- O Interest for Late Payment:** If the tax is not paid by the due date, multiply Line 11 by the daily interest rate and multiply the result by the number of days late. *Example:* Tax due = \$480.00 x .0001092 = .0546 x 5 days late = \$.27 is interest due.
- P Additions to Tax:** For failure to pay sales tax on or before the due date, additions to tax is 5 percent of Line 11. If additions to tax for failure to file applies, multiply Line 11 by 5 percent for each month the return is late, up to a maximum of 25 percent.
- Q Approved Credit:** Enter on Line 15 any sales tax credit for which the Director of Revenue issued you an approved credit.
- R Pay This Amount:** Enter total amount payable. Send a check for the total amount. Make the check payable to **Director of Revenue**. Do not send cash or stamps. Mail to: Missouri Department of Revenue, P.O. Box 3360, Jefferson City, MO 65105-3360.
- S Signature:** Please be sure after you complete the return, you sign, and date the return.
- T Code:** Please do not write near the code. The department uses this code to process your sales tax return.

Frequently Asked Questions



FORMS AND FILING FOR SALES TAX

1. *What is subject to sales tax in Missouri?*
2. *Should I pay sales tax or vendor's use tax?*
3. *When am I required to file my sales tax returns?*
4. *Will my filing frequency ever change?*
5. *What are the due dates for filing my returns?*
6. *What if the due date to file a return falls on a Saturday, Sunday, or a holiday?*
7. *Am I required to file a sales tax return even if my sales equal zero?*
8. *Can sales tax returns be filed electronically?*
9. *Can a negative sales tax return be filed?*
10. *What is the difference between "gross receipts" and "taxable sales" on my sales tax returns?*
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15. *What determines if a return is timely?*
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20. *What is the correct sales tax rate for a particular city or county?*
21. *Will I be notified of local tax increases/decreases?*
22. *How do I calculate interest on late payment of my sales taxes?*
23. *How often are the interest rates updated?*
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25. *What is the approved credit line on the sales tax returns to be used for?*
26. *How do I pay sales tax under protest?*
27. *How do I report my vending machine sales?*
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31. *How can I ensure my refund/credit claim includes all necessary information for the department to process my claim?*
32. *I am filing for a refund claim that involves more than one filing period. Do I need to file a separate Form 472B claim for each period?*
33. *I received an overpayment notice from the Department of Revenue. Do I need to submit a refund/credit application, amended returns or other supporting documentation in order to receive a refund or credit?*
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36. *What is my recourse if a refund/credit claim has been denied?*

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- 44. *Are phone cards taxable?*
- 45. *What is a place of amusement?*
- 46. *Is labor taxable?*
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FORMS AND FILING FOR SALES TAX

1. What is subject to sales tax in Missouri?

All sales of tangible personal property are taxable unless there is a specific exemption listed in Chapter 144. All sales of services listed as taxable in Section 144.020, RSMo, including telephone and telegraph services are subject to sales tax.

2. Should I pay sales tax or vendor's use tax?

Sales tax is applicable on all sales made from a location within the state of Missouri. Vendor's use tax is applicable on all sales made by out-of-state vendors where goods are shipped into Missouri and where title passes within the state of Missouri.

3. When am I required to file my sales tax returns?

Sales tax returns may be filed on a monthly, quarterly or annual basis. Your filing frequency is determined by the amount of state tax (4 percent for regular locations and 1 percent for food locations) due. (Local tax is not included in figuring your filing frequency.) The filing frequency is determined by the total state tax due on the return as a whole, not by each location.

State taxes collected of \$500 or more per month are to be reported on a monthly basis.

State taxes collected over \$45 per quarter but less than \$500 per month should be filed on a quarterly basis. The quarters are as follows: January through March, April through June, July through September and October through December.

State taxes collected less than \$45 per quarter should be filed on an annual basis.

4. Will my filing frequency ever change?

Your filing frequency is reviewed by the Department of Revenue on an annual basis. If this review indicates that your filing frequency should be changed, the change will be made and notification will be sent to you.

5. What are the due dates for filing my returns?

Monthly returns are due on or by the 20th of the following month, except on quarter ending months. For example, your monthly February return is due on or before March 20. The due dates listed on the chart on page 1 for quarterly returns should be followed when filing quarter ending months such as March, June, September, and December.

Quarterly returns are due on or before the last day of the month following the end of the quarter. For example, your return for the January through March period would be due on or before April 30.

Annual returns are due on or before January 31 of the next year.

6. What if the due date to file a return falls on a Saturday, Sunday, or a holiday?

When the due date falls on a Saturday, Sunday, or a holiday, your return will be considered timely filed if it is postmarked by the next business day.

7. Am I required to file a sales tax return even if my sales equal zero?

Yes. Every business with a sales tax license is required to file a return even though no sales were made during the period covered by the return.

8. Can sales tax returns be filed electronically?

Yes. Zero sales tax returns can be filed using the telefile system. (You must have “0” (zero) taxable sales and “0” (zero) gross receipts. You must use your PIN number located on the front of your voucher book or preprinted tax form. The telefile number is (888) 948-4653. If you have questions about sales tax telefile, please contact the Missouri Department of Revenue, P.O. Box 371, Jefferson City, MO 65105-0371; e-mail elecfile@dor.mo.gov or call (573) 751-3930.

9. Can a negative sales tax return be filed?

No. Negative sales tax returns cannot be filed. When the credits allowed are greater than the tax collected, an amended return must be filed for the period in which the sales were actually filed.

10. What is the difference between “gross receipts” and “taxable sales” on my sales tax returns?

Gross receipts equal the total amount of sales your business had for the period in which you are filing the return.

Taxable sales equal the total amount of sales your business had for the period in which you are filing the return plus/minus any sales on which you did not collect sales tax. These are claimed in the adjustments column of your return.

Your taxable sales should always equal your gross receipts plus/minus any adjustments.

11. Am I required to complete the gross receipts and taxable sales box on my return? Can’t I just report the amount of tax I owe?

Every vendor must file a sales tax return showing the amount of taxable sales to his/her customers, as required by law.

12. If I have included my sales tax in my taxable sales, can the tax amount be backed out?

The amount of sales tax collected should not be included in your gross receipts. If the sales tax is included in your gross receipts, it should be backed out. To back this out, take your total amount of gross receipts, including the sales tax, divide (100% plus your current tax rate).

<i>Example:</i>	Gross Receipts including Sales Tax	=	\$2,500
	Current Sales Tax Rate	=	5.725%
	Divide \$2,500 by 105.725%	=	\$2,364.63
	Your gross receipts should be reported as		\$2,364.63

13. What type of adjustments are allowed on the sales tax returns?

A summary of the adjustments allowed is provided in the ADJUSTMENTS SECTION on page 17.

A record of the adjustment claimed on each return must be maintained in your files. The Department of Revenue will review this information if you are audited.

14. How is the two percent timely payment allowance calculated?

On all sales tax returns filed and paid by the required due date, you are granted a 2 percent timely payment allowance. Take the amount of tax due times 2 percent. Then subtract this amount from the amount of tax due. For example, you have \$100.00 tax due times 2 percent is \$2.00. Subtract this \$2.00 from the \$100.00 originally due. The amount of tax due you would pay is \$98.00.

15. What determines if a return is timely?

Your sales tax return is considered timely if it is **postmarked** on or before the required due date. If a metered postmark differs from the U.S. Postal Service postmark, the U.S. Postal Service postmark will be used as evidence of timely filing.

16. If I add a new location, will it appear on the next sales tax return received from the Department of Revenue?

This new location may not appear on your next preprinted form. If it does not, please write it in again at the bottom of the locations listed on the preprinted form.

17. If I close a location, will it be deleted on the next sales tax return received from the Department of Revenue?

The location may still appear on your next preprinted sales tax return. Enter "Closed" and the date the business location closed in the gross receipts area of your return.

18. Can I file a return that has been generated by my computer rather than the one received from the Department of Revenue?

You are required to get approval from the Department of Revenue before your computer generated form is used. This return must contain all the information that appears on the one received from the Department of Revenue.

One area of these computer-generated returns that is often not done properly is the location code listing area. The location code is assigned by the department. The codes consist of 12 digits. The location codes must appear in the code column area of your sales tax returns. The location codes should always be listed in the order in which they are printed on the form received from the department.

19. Do I need to include my figures for my food sales in the figures reported for sales subject to the full tax rate?

You should not include food sales in the figures reported on the full tax rate line. Food sales should be reported on the line for food sales only. If you qualify for food sales and you do not find a location for food on your return, please contact the Division of Taxation and Collection, (573) 751-5860.

Nonfood Items/Food Items

The term "non-food items" includes those products not listed under the Federal Food Stamp Program. The term "food items" includes only those products and types of food for which food stamps may be redeemed pursuant to the Federal Food Stamp Program as contained in 7 USC Section 2012. A business whose gross receipts from sales of food and drink prepared by the business for immediate consumption, either on or off the premises, and are 80% or less of its total gross receipts, must remit tax on its qualifying food sales at a reduced state tax rate of 1.225% plus any applicable local tax. Sales of qualifying food through vending machines are also subject to the reduced tax rate.

20. What is the correct sales tax rate for a particular city or county?

To obtain the current rate for a particular city or county and a rate chart, you may download a current sales tax rate table (listing all cities and counties) from the department's web site at www.dor.mo.gov/tax/business/sales/salestbl.htm or you may contact the department at (573) 751-2836.

21. Will I be notified of local tax increases/decreases?

Local sales tax increases/decreases take place on the first day of each calendar quarter. Your business will only be notified of the changes that directly affect your registered business locations. This information will be mailed to the address currently on file with the department. It is important to maintain accurate address information with the department. Failure to be notified does not relieve you of the tax.

22. How do I calculate interest on late payment of my sales taxes?

Interest may be calculated in two ways.

1. Multiply the total amount of tax due by the current annual percentage rate. (The interest rate for 2004 is 4 percent.) Then multiply this amount by the number of days late. Divide this amount by 366.

Example: \$100.00 x 4% = \$4.00 \$4.00 x 30 days late = \$120.00
 \$120.00 divided by 366 = \$.33

2. Multiply the total amount of tax due by the daily rate. Then multiply the new amount by the number of days late.

Example: \$100.00 x .0001092 = \$.0109 \$.0109 x 30 days late = \$.33

23. How often are the interest rates updated?

The interest rate is subject to change each year. Any change will take effect on January 1.

24. What are additions to tax and how are they computed?

Additions to tax is a penalty charged for failure to pay or failure to file the required sales tax returns by the due date.

When your sales tax return has been filed, but not paid by the required due date, you should calculate your penalty by multiplying the tax amount due by 5 percent. This penalty does not increase.

When no sales tax return has been filed, you should calculate your penalty by multiplying the tax amount due by 5 percent for each month you are late. This penalty increases each month you fail to file a return. The maximum amount of penalty is 25 percent.

Interest should not be calculated on the amount of additions to tax due.

25. What is the approved credit line on the sales tax returns to be used for?

The Director of Revenue will issue credits for any amounts overpaid on your account. This credit should be claimed on this line on the return.

Credits should not be taken without prior approval of the department. The department will apply any credits to prior or future balances on your account, without notification.

26. How do I pay sales tax under protest?

Any notice issued by the department or any tax imposed that a taxpayer disagrees with may be paid under protest. The department must receive payment in full of the delinquency or disputed tax and the check must be clearly marked "Paid Under Protest." Upon receipt of the payment, a Protest Affidavit will be mailed to the taxpayer and must be returned within thirty days after the payment is received.

27. How do I report my vending machine sales?

Persons selling tangible personal property other than photocopies and tobacco-related products through vending machines are making retail sales. The sale is deemed to take place at the location of the vending machine. The vendor is responsible for reporting and remitting, directly to the Director of Revenue, state and local sales tax on 135 percent of the net invoice price of the tangible personal property sold.

28. How do I report a sale made prior to a tax rate increase/decrease if the payment was not collected until another filing period with a different sales tax rate?

If you report your sales tax on a cash basis (you report tax at the time payment is received) and you do not receive payment until after a rate change occurs, you will need to report this sale differently from your other sales. This type of transaction is considered a time sale. To report "time sales": 1) Fill out a separate return indicating on the return the filing period in which the sales were actually made. 2) Write "time sales" on the face of the return. (If "time sales" is not written on the return there is a possibility that the return could be processed as a late filed additional return.) 3) Calculate the tax due using the rate that was in effect at the time of the sale and put the rate on the return. If you do not report your sales tax on a cash basis, you report the tax at the rate in effect on the date the sale took place, regardless of when payment is received.

AMENDED RETURNS/REFUND INFORMATION

29. Do I need a special form to file an amended or an additional sales tax return?

No. A special form is not needed to file an amended or an additional return. A copy of the original form may be used. Indicate additional or amended by writing it on the return. Blank forms are available upon request.

30. How do I apply for a refund or credit of sales/use tax?

You must complete and sign Form 472B, Application for Tax Refund/Credit and submit amended sales/ use tax returns for the periods in which the sales or purchases were originally reported along with supporting documentation.

31. How can I ensure my refund/credit claim includes all necessary information for the department to process my claim?

We recommend you use the following checklist when filing for a refund/credit.

Checklist

- ✓ Indicate on the application whether you are requesting a refund or credit.
- ✓ Sign the refund/credit application.
- ✓ Include amended returns for **each** period in which the tax was **originally reported**.
- ✓ Provide an exemption certificate or exemption letter for **each** exempt sale.
- ✓ Provide a worksheet detailing how the refund amount is calculated.
- ✓ Submit invoices supporting the refund/credit claim. (**Note:** If the refund/credit request is for more than one tax period, invoices for the entire claim may not be required. Contact the Department of Revenue at (573) 526-9938 before submitting invoices for more than one period.)
- ✓ Include a properly executed power of attorney if someone other than an owner, partner, or officer is the contact person concerning the refund/credit claim.

32. I am filing a refund claim that involves more than one filing period. Do I need to file a separate Form 472B claim for each period?

No. Submit one Form 472B for the entire claim. Make certain you indicate the periods for which the claim is being submitted. However, you must submit amended returns for each period of your request.

33. I received an overpayment notice from the Department of Revenue. Do I need to submit a refund/credit application, amended returns or other supporting documentation in order to receive a refund or credit?

No. Sign the overpayment notice and return it to the Department of Revenue. The department will review the notice and either mail you a refund or an approved credit.

34. Does the state pay interest on overpayments?

Effective January 1, 2003, interest is included in a refund of overpayments only if the overpayment is not refunded within 120 days from the latest of:

- the last day prescribed for filing a tax return or refund claim, without regard to any extension of time granted;
- the date the return, payment or claim is filed; or
- the date the taxpayer files for a credit or refund and provides accurate and complete documentation to support the claim.

There are no statutory provisions for interest on a credit.

35. What is the oldest period that I may request a refund/credit?

The statute of limitation for sales/use tax refund claims is three years from the date of the overpayment. The date of the overpayment is determined by the due date of the original return or the date of payment, whichever is later.

36. What is my recourse if a refund/credit claim has been denied?

A denial of refund/credit is the final decision of the Director of Revenue. A taxpayer may appeal any decision to the Administrative Hearing Commission. Appeals must be submitted in writing to the Administrative Hearing Commission, 301 West High Street, Harry S Truman State Office Building, PO Box 1557, Jefferson City, Missouri 65102 within 60 days after the date the decision is mailed or the date it is received, whichever date is earlier. If your appeal is sent by registered or certified mail, the appeal will be deemed filed on the date it is mailed. If the appeal is sent by any method other than registered mail, it will be deemed filed on the date it is received by the Administrative Hearing Commission.

TAXABLE/OTHER

37. What is the sales taxability of a leasing agreement?

The lessor has the option of either paying the tax up front on the item to be leased or charging the tax on the lease receipts. Only one of these options may be chosen.

If the lessor chooses to charge the tax on the lease receipts on items other than motor vehicles, the tax due is based on the place of business of the lessor. If the lessor has more than one place of business, the taxable sale is based on the location where the initial order is taken.

Any motor vehicle, which is leased or rented as the result of a contract shall be taxable at the lessee's location at the time the lease is executed.

38. When a city/county passes a sales tax, what is needed to implement the tax?

The local entity imposing the tax must submit an ordinance/order imposing the tax, voting results and a map of the affected area to the Director of Revenue within 10 days after the election. The tax will become effective on the first day of the second calendar quarter after the director receives notification.

39. What is a domestic utility sales tax and how is it imposed?

Domestic use means the portion of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil that is used for nonbusiness, noncommercial or nonindustrial purposes. All of these items are exempt from sales tax under Section 144.030, RSMo. Section 144.032 allows cities and counties to reimpose the tax on the above exempt utilities when imposing a local tax. A city or county submits an ordinance to the department requesting the reimposition and the department notifies the businesses in the affected areas.

40. What is the sales taxability of computer software and related services?

Canned software is taxable. Custom software is not taxable. Program installation, maintenance of software and training services are taxable when the purchase of these services is mandatory under the terms of the agreement to purchase the software.

41. What is the sales taxability of the Internet?

Fees paid for Internet services received in your home are not taxable. Sales over the Internet are subject to sales tax, if the sales transaction's shipping and delivery point is within the state of Missouri.

42. What are export sales and are they subject to Missouri sales tax?

Export sales are sales made to customers located outside the state of Missouri and they are not subject to Missouri sales tax if title to the property passes at the customers' locations. If the goods are picked up in Missouri, sales tax applies.

43. Are freight/shipping/delivery charges taxable?

If the charges are separately stated and not intended by the parties to the transaction to be included as a part of the sale and not mandatory, they are exempt.

44. Are phone cards taxable?

Phone cards that are purchased for personal use are taxable at the location where the phone card is purchased.

45. What is a place of amusement?

A place of amusement is any location in which amusement activities comprise more than a de minimis portion of the business activities of the location. Fees or admissions paid “in” or “to” a place of amusement are taxable.

46. Is labor taxable?

Repair labor, if separately stated, is not taxable. Fabrication or production labor are subject to sales tax, even when separately stated.

47. Are nonreusable items which are furnished to guests in hotels and motels taxable?

The nonreusable items of tangible personal property furnished in hotels and motels are not subject to sales tax. Nonreusable items include (but are not limited to) soap, shampoo, tissue, other toiletries, food, or confectionery items. The nonreusable items must be furnished to guests in their rooms without charge.

48. What is the Sales Tax Holiday?

Section 144.049, RSMo., was created by Senate Bill 11 and established a Sales Tax Holiday to be effective August 13 through August 15, 2004. The legislation states certain back-to-school purchases, such as clothing, school supplies, computers, and other items as defined by the statute, will be exempt from sales tax for this time period only.

The legislation also states all local taxing authorities (cities, counties, and districts) have the option of not participating in the Sales Tax Holiday for local sales tax purposes. In the event that one or all of your local taxing authorities do not participate, the state’s portion of the tax rate (4.225%) will remain exempt and the Department of Revenue will notify you of the proper tax rate to collect.

For a more detailed description of the Sales Tax Holiday and reporting procedures, please visit the department’s web site at www.dor.mo.gov/tax/business/sales/taxholiday.

EXEMPTIONS

49. How do I apply for an exemption from sales tax?

Any social, civic, religious, political subdivision, or educational organization can apply for a sales tax exemption by completing Form 1746, Missouri Sales Tax Exemption Application. This form lists the information that needs to be submitted to verify the organization is indeed a tax exempt non-profit organization.

50. What types of medical equipment and drugs are exempt/taxable?

Any drug or sample that may be legally dispensed only by a licensed pharmacist upon written authority from a practitioner licensed to administer the prescription is exempt from sales tax. Also exempt are sales of insulin, hearing aids and hearing aid supplies.

Section 144.030.18, RSMo, exempts from sales tax the sale of any over-the-counter medication that is purchased by an individual with a disability.

The purchase of prosthetic devices is exempt from sales tax. Prosthetic devices are defined by the Federal Medicare Program under Title XVIII of the Social Security Act of 1965 as devices (other than dental) which replace all or part of the function of a permanently inoperative or malfunctioning internal body organ and include cardiac pacemakers; prosthetic lenses which replace the lens of an eye; breast prosthetics, including surgical brassieres for postmastectomy patients, maxillofacial devices and devices which replace all or part of the ear or nose, urinary collection systems, including Foley catheters, when replacing bladder function in cases of permanent urinary incontinence; hemodialysis equipment, colostomy and other ostomy bags and the necessary equipment required for attachment; and electronic speech aids, if the patient has had a laryngectomy or his/her larynx is permanently inoperative, are exempt from the sales tax.

Eyeglasses, contact lenses, bed pans, and incontinent pants are not considered prosthetic devices and are subject to tax.

Orthopedic devices as defined by the same Act listed above include rigid or semirigid leg, arm, neck and back braces, and casting materials which are directly used for the purpose of supporting a weak or deformed body member or restricting or eliminating motion in a diseased or injured part of the body; trusses; artificial legs, arms and eyes including terminal devices such as artificial hands, hoods and space shoes which replace part of a foot, stump stockings and harnesses when they are essential to the effective use of an artificial limb; and orthotics are exempt from the sales tax.

Elastic braces, elastic stockings, arm slings, elastic wraps, and garter belts are not considered orthopedic devices and are subject to tax. However, a recent amendment to the law exempts ambulatory aids, such as wheelchairs, walkers, canes, and crutches.

Also exempt from tax are items specified in Section 1862(A)(12) of the Social Security Act of 1965. Exempt items included in this class are those used in connection with the treatment, removal or replacement of teeth, or structures directly supporting teeth. These terms encompass dentures, inlays, bridge work, fillings, crowns, braces and other artificial dentistry and dental reconstructions which are made, manufactured or fabricated from molds or impressions made by dentists of the mouths of their particular patients and sold to dentists for insertion in the patient's mouth as a direct support of, substitution for, or part of the patient's teeth.

Dental equipment and supplies are not exempt.

For a list of usually exempt restorative materials, prosthetic devices, supporting materials, orthodontic devices and materials and endodontic devices, please contact the department and request a copy of Regulation 12 CSR 10-110.013.

51. What types of farm machinery are exempt from sales tax?

Farm machinery and equipment are exempt from tax if used exclusively and directly for the production of crops as a business or for the raising and feeding of livestock, fish or poultry or for producing milk for ultimate sale at retail.

Section 144.030.22, RSMo, provides for an exemption of lubricants used exclusively for farm machinery and equipment. For further information concerning farm machinery, please contact the department and request a copy of Regulation 12 CSR 10-110.900.

52. Does Missouri offer a sales tax exemption for manufacturers?

Yes. Machinery, equipment, and parts used directly in the manufacturing process are exempt if used in one of the following manners: plant expansion, new plant, replacement machinery, equipment, and parts.

53. How do I use a project exemption certificate?

A charitable, religious, or educational exempt entity may complete a project exemption certificate and present it to the contractor who in turn may use the certificate to purchase materials for a specific project tax exempt. This certificate must contain the following information:

- a. The exempt entity's name, address, Missouri tax identification number, and signature of authorized representative;
- b. The project location, description, and unique identification number;
- c. The date the contract is entered into, which is the earliest date materials may be purchased for the project on a tax-exempt basis;
- d. The estimated completion date, and;
- e. The certificate expiration date.

The department does not issue these exemptions. This is a transaction between the exempt organization and the contractor.

54. What can be purchased with the common carrier exemption?

Materials, replacement parts, and equipment on motor vehicles, watercraft, railroad rolling stock, or aircraft engaged as common carriers may qualify for the exemption provided the purchases are used directly upon and for the repair and maintenance or manufacture of the carriers.

Materials, replacement parts, and equipment which qualify for the exemption include but are not limited to, grease, motor oil, antifreeze, fuel additives, paint for body work, radio repair parts purchased for use on the vehicle and power take-off units (PTO).

55. Are federal employees required to have an exemption letter in the name of the agency they are representing?

No. The federal government is exempt by the Constitution and not required to obtain an exemption letter. Exemption letters are issued to federal agencies only as a courtesy. Persons claiming to be a federal employee should be able to produce identification as to their employment status and they may only purchase exempt on behalf of the government.

56. Is medical grade oxygen subject to Missouri sales tax?

Sales of medical grade oxygen are exempt from Missouri sales tax.

Adjustments

An adjustment is something that you may deduct from or add to your gross receipts. Detailed records of all adjustments must be retained in your records, in case you are audited. Adjustments and exemptions are subject to be changed by state legislation.



The following is a listing of the types of items that may be sold by you that can be **deducted** from your gross receipts:

- Items purchased from you that will be resold by your customer.
- Sales of motor fuel subject to excise tax. **This does not include motor fuel consumed in operating your business.**
- Feed for livestock. This includes **all** feed for cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits.
- Economic poisons, pesticides or herbicides which are to be used in connection with the production of crops, fruit trees or orchards, aquaculture, livestock, and poultry.
- Components or ingredients of products manufactured, processed, compounded, mined, produced, or fabricated.
- Materials, replacement parts and equipment purchased for direct use on motor vehicles, watercraft, railroad rolling stock, or aircraft engaged as common carriers. **This adjustment does not apply to contract carriers.**
- Replacement machinery and equipment used directly in manufacturing, mining, fabricating, or producing a product.
- Machinery and equipment purchased to establish or expand an existing manufacturing, mining, or fabricating plant in this state.
- Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in **producing** newspapers published for dissemination of news to the general public.
- Air pollution equipment that has been certified as exempt by the Department of Natural Resources. **An exemption letter issued by the Department of Revenue should be presented by the purchaser.**
- Water pollution equipment that has been certified as exempt by the Department of Natural Resources. **An exemption letter issued by the Department of Revenue should be presented by the purchaser.**
- Tangible personal property purchased by a rural water district.

- All sales of metered water, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil used for domestic use. **Utilities used in your normal business operations cannot be claimed under this adjustment.**
- Fuel consumed or used in the operation of ships, barges or waterborne vessels which are used for the transportation of property or person on navigable rivers bordering on or located in part of the state of Missouri.
- All sales of barges.
- Electrical energy or gas (natural, artificial, or propane) used in connection with the manufacturing of cellular glass.
- Property directly used in the research and development of prescription pharmaceuticals for humans and/or animals.
- Grain bins for storage of grain for resale.
- Feed used in the feeding of pets by a commercial breeder. **The commercial breeder must present their Missouri Pet Breeders card at the time of purchase.**
- Purchases of **materials** used by contractors fulfilling a contract for the purpose of construction, repairing or remodeling facilities for qualifying exempt entities. This **does not** include construction machinery, equipment, or tools used in the project. **A project exemption certificate and a copy of the exempt organization's exemption letter should be obtained from the contractor. You will be able to tell whether or not the contractor qualifies for this deduction by reading the organization's exemption letter.**
- Medical items such as insulin, prosthetic or orthopedic devices, hearing aids and hearing aid supplies, prescription drugs, medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and ambulatory aides, manual and powered wheelchairs, stairway lifts, braille writers and electronic braille equipment.
- All sales of scooters, reading machines, electronic print enlargers, and magnifiers, electronic alternative and augmentative communications devices when purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently.
- Items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities.
- Sales of over-the-counter or non-prescription drugs for individuals with disabilities.
- Purchase of electrical energy used in manufacturing, processing, compounding, mining, or producing of a product. **An Electrical Energy Direct Pay exemption letter should be presented before this exemption is granted.**
- Natural gas used in the primary manufacture or processing of fuel ethanol.
- Purchase of electrical energy used by a material recovery processing plant. **An Electrical Energy Direct Pay exemption letter should be presented before this exemption is granted.**
- All purchases by businesses issued a Direct Pay exemption letter.
- Forty percent of the purchase price of a new manufactured home.
- Sales of used mobile homes on which Missouri sales tax was paid on the original sale.
- Trade-in allowances given at time of purchase of merchandise, except mobile homes.
- Sales shipped outside the state of Missouri. Title or ownership of this merchandise must not take place within this state.
- Room fees collected from persons considered to be a permanent resident of a hotel. The accommodations must be contracted in advance for a period of 30 consecutive days or more.

- Amounts allowed for cash or trade discounts.
- Separately stated labor charges, not to include labor which is part of the production cost.
- Delivery freight and transportation charges separately stated and not intended to be part of the sale.
- Parts purchased for repair of motor vehicles intended to be resold. **The dealer registration number should be presented at time of purchase.**
- Store coupons redeemed. **Manufacturer's or third-party coupons, for which you will be reimbursed, cannot be deducted.**
- Farm machinery and equipment if used exclusively and directly for the production of crops or livestock, fish or poultry or of producing milk for sale at retail. A listing of usually exempt and usually taxable items may be requested from the Department of Revenue.
- Personal property tax reimbursement charges on leases/rental, when separately stated or billed.
- Sales to the following organizations are exempt from sales tax:
 - Religious and charitable organizations and institutions (Examples would include churches, seminaries, American Red Cross, American Cancer Society, and Diabetes Foundation).
 - Elementary and secondary schools operated at public expenses.
 - Civic, social, service, or fraternal organizations. This exemption can be granted only when the organization is purchasing items in the civic or charitable functions. (Example: A fraternal organization has a fundraiser and gives all the proceeds to a local homeless shelter. All items for this fundraiser can be purchased tax exempt.) This exemption may not be used to purchase items tax free for the general operation of these organizations, such as utilities, maintenance materials, etc.
 - Private not-for-profit institutions of higher education.
 - Private not-for-profit elementary or secondary schools.
 - State agencies, cities, counties, townships, and districts (examples include water, school, ambulance, library, road, nursing home, and hospital.)

Copies of the exemption letters issued to the organization claiming exemption must be provided at the time of sale. Copies of these exemption letters should be kept for at least three years. The exemption letters are valid for five years.
- Sales to the Federal Government.
- Missouri cigarette tax collected on the sales of cigarettes.
- Sales to diplomatic and consular personnel. **The person is required to present an official exemption identification card issued by the United States Department of State.**
- Purchases by State Senators and/or Representatives. Their exemption letter must be provided at the time of purchase.
- Purchases made with Federal Food Stamps or W.I.C. (Women, Infants, and Children) vouchers.
- All sales of lottery tickets.
- Sales of bullion and investment coins.
- Export sales. Generally, a sale is an export sale if the seller ships the merchandise by common carrier, contract carrier, or the seller's vehicle **IF** title passes to the purchaser when or after the merchandise is loaded onto the vehicle or carrier. If the purchaser gains title in Missouri, it is not an export sale even if the purchaser subsequently takes the merchandise out of state.

Positive adjustments to be **added** to your return:

- Items purchased from a Missouri supplier for resale but used by you.

Example: You are in the business of selling stereos. You take a stereo off the shelf and take it home for your personal use. The retail selling price of this stereo is \$300. The actual cost when purchased by your business was only \$200. You would owe tax on the **cost** of the stereo, not the retail selling price. The tax rate used would be the tax rate in effect at the location from which the stereo was removed from inventory.

- You should self-assess consumer's use tax on items purchased for resale from an **out-of-state** supplier but used by you. This should be reported on your Form 53U-1, Use Tax Return.

Records to be Retained

The following records should be retained for at least three years (RSMo 144.320):

- Copies of Missouri sales tax returns including any worksheets.
- Sales journals, general ledgers, or any and all other source documents used to complete the sales tax return.
- Missouri sales invoices.
- Exemption certificates, exemption letters, or other proof of exemption for all sales claimed exempt from Missouri sales tax.
- Purchase invoices and especially those for fixed assets purchased by taxpayer.
- Detailed depreciation schedule or fixed asset listing.
- Check register, purchases journal, or disbursement journal.
- Chart of accounts and customer lists.



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Are You Aware?

Are you aware if you make purchases from other states or ship goods into Missouri, you may need to register with Missouri for use tax? Taxable items include: catalog purchases, TV marketing purchases, computer software and hardware, mail-order supplies, and purchases of goods bought over the telephone or internet.

Every out-of-state business that makes sales to businesses or individuals located within the state of Missouri (vendor's use tax) and any business that makes purchases from out-of-state vendors (consumer's use tax) may be subject to Missouri use tax.

If you are liable for use tax, you must complete a Form 2643, Missouri Tax Registration Application and add use tax to your registration. To obtain an application, or more information regarding use tax, you may return this flyer and you will receive a Form 2643, Missouri Tax Registration Application.

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